

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In The Matter of:)	Docket No. 98-AFC-1
)	
Application for Certification)	
for the Pittsburg District)	
Energy Facility)	
_____)	

STATUS CONFERENCE

PITTSBURG CITY HALL
CITY COUNCIL CHAMBERS
65 CIVIC AVENUE
PITTSBURG, CALIFORNIA 94565

Wednesday, February 17, 1999
6:15 P.M.

Reported By: Janene R. Biggs, CSR No. 11307

1 APPEARANCES

2 Commisioners Present:

3 DAVID A. ROHY, Presiding Member

4 MICHAL C. MOORE, Commissioner

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6 Committee Members Present:

7 SUSAN GEFTER, Hearing Officer

8 BOB ELLER, Advisor to Commissioner Rohy

9 SHAWN PITTARD, Advisor to Commmissioner Moore

10

11 For The Staff of The Commission:

12 Dick Ratliff, Staff Counsel

13 Lorraine White, Project Manager

14

15 For the Applicant:

16 Samuel L. Wehn, Enron Capital & Trade Resources Corp.,
Director

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Allan J. Thompson, ESQ.

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C.J. Patch, III, P.E., Patch Engineering Construction,
President

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20 For the Intervenor:

21 Kate Poole, CURE

22 Jack Hall, City of Antioch

23 Doug Buchanan, Delta Energy Facility

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P R O C E E D I N G S

WEDNESDAY, FEBRUARY 17, 1999

PITTSBURG, CALIFORNIA 6:15 P.M.

COMMISSIONER ROHY: Good evening. Welcome to the Committee's second status District Energy Facility. With me tonight is Commissioner Moore. I'm Vice Commissioner Rohy. Hearing Officer Susan Gefter, and our advisors Shawn Pittard and Bob Eller to my right.

We're pleased that you can be here tonight. The staff is here represented by Lorraine White, project manager, Dick Ratliff, staff counsel -- excuse me.

Could you please introduce yourselves?

MS. WHITE: My name is Lorraine White. I'm project manager for the Pittsburg Energy District Facility project before the Commission.

MR. RATLIFF: I'm Dick Ratliff, counsel for the staff.

MS. WHITE: With us today we also have Ian O'Niel, who's also doing the transmission analysis on the site.

COMMISSIONER ROHY: Thank you.

And the applicant, please introduce yourselves.

MR. WEHN: I'm Sam Wehn, project direct for

1 Enron.

2 MR. THOMPSON: Alan Thompson, project

3 counsel.

4 MR. PATCH: Joe Patch, engineer, supporting

5 Enron in the application.

6 COMMISSIONER ROHY: And we have intervenors

7 here. Introduce themselves.

8 MS. POOLE: Kate Poole for CURE.

9 MR. HALL: Jack Hall, City of Antioch,

10 COMMISSIONER ROHY: Public advisor --

11 MR. BUCHANAN: My name is Doug Buchanan,

12 manager for Delta Engery Facility project.

13 MS. MENDONCA: Roberta Mendonca. I'm the

14 public adviser for the Commission for this project.

15 COMMISSIONER ROHY: And agencies who are

16 represented here, could they introduce themselves?

17 MR. KOLIN: Jeff Kolin, City Manager, City

18 of Pittsburg.

19 MR. MACKIN: Peter Mackin, California ISO.

20 COMMISSIONER ROHY: Are there any air

21 district representatives here tonight?

22 MS. WHITE: I was contacted by

23 Bay Area AQMD. Unfortunately, they are not able to

24 attend the meeting tonight. They have asked me to

25 impart on their behalf information about the schedule.

26 COMMISSIONER ROHY: Members of the public,

1 would you like to introduce yourself? Anybody who
2 would, please stand so we know who you were.

3 MR. GLYNN: My name is Bill Glynn. I'm a
4 member of the Pittsburgh New York Landing Homeowners
5 Association.

6 COMMISSIONER ROHY: Thank you.

7 MS. RUSSET: Kathy Russet. I'm the public
8 affairs consultant for Enron.

9 MR. TIBBS: I'm Dean Tibbs. I'm a
10 consultant to the city manager.

11 COMMISSIONER ROHY: We're certainly pleased
12 you could all make it here for this event.

13 The Pittsburgh District Energy Facility filed
14 this application for certification in June of 1998.
15 The project is a 500-megawatt cogeneration facility
16 that will be built by Enron Corporation on an existing
17 piece of land owned by USS Posco in the city of
18 Pittsburgh.

19 The Committee issued a revised scheduling
20 order on December 30th setting forth the anticipated
21 milestone dates in this matter through July of '99.
22 The schedule requires the parties to submit status
23 reports and to attend status conferences, such as this
24 one, to inform the Committee about potential delays and
25 any other relevant matters.

26 On January 25th, the parties filed their

1 status reports, Number 4, which indicated that certain
2 areas of review are incomplete, such as air quality,
3 the interconnection study, and transmission
4 reliability, as well as land use issues and cumulative
5 impact analyses.

6 In the notice scheduling this status
7 conference, the Committee posed questions to the
8 parties regarding these topics and the viability of the
9 current schedule. We expect to discuss these here
10 tonight.

11 In addition, the Committee is well mindful
12 of the application to meet its 12-month schedule to the
13 applicant, and as such, the Committee, including our
14 hearing officer, has put together our available dates,
15 and timeline, and we have established a schedule to, in
16 fact, have the Commission consider a proposed decision
17 on July 28th, 1999. We use that as a date to meet the
18 12-month schedule. That is, in fact, in the law.

19 We backed down the dates, and there will be
20 a schedule that Mr. Eller will hand out to the
21 applicants, and this is a Committee schedule that will
22 meet the 12-month deadline that the applicant has
23 desired. This is a very aggressive schedule, but it is
24 one that can be met, we believe. We hope that the
25 details meeting that schedule will be discussed
26 tonight, and that through this particular Committee

1 conference that we can establish a path to bring the
2 Committee to the proposed decision to the Commission on
3 July 28th, 1999.

4 We will consider the possibility during the
5 evidentiary hearings of trailing various topics for one
6 in front of the other, but we certainly are not
7 interested in prolonging the procedure. So if there is
8 a way that we can juggle the schedule during the
9 evidentiary hearings, we will be mindful of that, but
10 we intend to make the 12 months schedule, which you
11 requested of us, which you are mindful to do.

12 So, I will give you all a bit of time to
13 read that, and there will be further copies out there
14 for the public.

15 As you can well imagine to meet this
16 schedule, every bit of data must be available to us.
17 We do not wish to have an incomplete record, and
18 clearly if we do have one, we cannot recommend
19 certification based on an incomplete record. So the
20 question before us tonight is, how will we establish
21 that record with the time schedule that we have here so
22 that we can render a reasonable -- a recommendation
23 based on a complete record of all the data?

24 So I believe that sets forth a fairly
25 aggressive time scale, and we have work to do this
26 evening, and I would like to hand over the proceedings

1 to our hearing officer, Ms. Susan Gefter.

2 MS. GEFTER: Before we begin, we'd like to
3 ask our public advisor to make some comments before we
4 begin. The AFC process is a public proceeding in which
5 members of the public and interested organizations are
6 encouraged to actively participate and express their
7 views.

8 The Committee's interested in hearing from
9 the community on any aspect of this project and members
10 of the public are also eligible to intervene. If there
11 are potential intervenors, we encourage you to file
12 your petitions to intervene as soon as possible to
13 allow full participation.

14 At this time we'd like to ask our public
15 adviser, Roberta Mendonca to explain the intervention
16 process, and to provide an update to us on her efforts
17 to contact local residents other interested
18 organizations regarding this case. Thank you.

19 MS. MENDONCA: Thank you, Susan. It's a
20 pleasure to be here.

21 Basically, I think the process of
22 intervention, since she specifically asked about that,
23 is quite simple. You basically let the Commission know
24 you're interested in participating as an intervenor,
25 and the Committee considers your petition and a
26 decision is made, usually that you can intervene and

1 you become a party.

2 Probably more important in the process is
3 what intervention will allow you to do, and that
4 becomes most clear, being an intervenor, is to
5 participate in the evidentiary hearings, because, quite
6 frankly, although our process is open to the public for
7 comment in our workshops and in our hearings, when we
8 get to the final evidentiary hearings, in order to be
9 able to testify and have your comments be made under
10 oath and participate in a cross-examination of the
11 witnesses and get your points on the record, you need
12 to be a party. That's what the process allows you to
13 do.

14 So here in the community of Pittsburgh, when
15 people contact me, and when I've been out in the
16 community talking to people, we have an internal phone
17 list in the public adviser's office. We go through
18 them and try to encourage their participation.

19 The one little housekeeping rule this
20 evening if you are going to be making comments, please
21 provide the transcriber with a business card, because
22 when you say your name, it could be as difficult as
23 mine, and I don't think in all fairness that she can
24 get your name without a little help. So if you could
25 help by providing a business card, we would appreciate
26 that.

1 Thank you.

2 MS. GEFTER: Thank you, Roberta.

3 COMMISSIONER MOORE: Can I add something to
4 that?

5 A piece that Ms. Mendonca left off is that
6 along with the opportunity to intervene comes a
7 responsibility as well. So if you become an
8 intervenor, you take on the responsibility of making
9 sure that anything you put on the record gets
10 distributed and served to every party that is here. So
11 there are responsibilities that come with it. They're
12 serious and we hold everyone to it.

13 MS. MENDONCA: My only comment would be the
14 list of services and so forth is -- we are very much
15 into the electronic age, and you can find most of this
16 information on our Energy Commission web page, and if
17 you go to the Pittsburg case, you can get all the
18 appropriate players that are involved in this. This
19 one will appear on the web page as well.

20 MS. GEFTER: We'd like to proceed, but if
21 anyone has any questions about the intervention
22 process, please see Roberta Mendonca at any point, or
23 you can call her or contact her otherwise.

24 We'd like to begin with the applicant's
25 presentation and their answers to the Committee's
26 inquiries that were included in the the notice of this

1 status conference. I have copies of the notice on that
2 (indicating) table, so you can take a look at that and
3 you can see which questions we're talking about.

4 Following the applicant's presentation,
5 we'll here from our staff. Then we'll here from the
6 intervenors, the responsible agencies, and members of
7 the public.

8 This is a formal process tonight, and
9 although the proceeding is being recorded, we will not
10 be taking testimony. We'll provide time at the end of
11 each presentation for the parties to ask questions and
12 to clarify issues.

13 If there are any questions about the
14 process, let's get to that right now.

15 We'll ask the applicant to begin their
16 presentation by looking at the questions that appear in
17 the notice of this status conference, and also at the
18 end of that presentation, perhaps you could respond to
19 the Committee's schedule that the Commission has
20 prepared.

21 MR. THOMPSON: Will do. I'll try and speak
22 up while facing you and hopefully it will bounce off
23 the walls or something.

24 If it's okay with you, we'd like this
25 presentation to be done by a number of us, as I think
26 it would be more effective, and you'd get information

1 from those that know it the best.

2 The first question is the status of each
3 outstanding data request, and I guess this also
4 encompasses Number 2. All of the data requests of
5 applicant have been submitted; visual, air, and the
6 cooling tower was submitted yesterday. So that
7 completes applicant's response to all data requests
8 with the exception of that portion of that data
9 requests that asked about the air emission offsets. We
10 submitted a package under confidentiality that
11 described -- that had source documents and described
12 the entities with which the applicant was in
13 negotiations, and I'd ask Sam Wehn now to give an
14 update of the information that was contained in that
15 response.

16 MR. WEHN: We're actually negotiating the
17 two entities to provide 100 percent of our offsets. I
18 would have provided you with a signed document tonight,
19 however, the lawyer for the sellers was in a head-on
20 car accident, so they're trying to find someone else
21 obviously to review the document, and I was told by
22 their general manager that they would actually sign the
23 document tomorrow, and I would be able to docket that
24 with you on Friday. Now, that will provide us with
25 60 percent -- actually around 65 percent of our offset
26 needs. The balance I've made an offer on and expect --

12

1 the expectation at this point is that they're going to
2 accept the offer, and if they do, I should be able to
3 get an option contract signed by the end of the month,
4 is my expectation, but I know the last time I made a
5 commitment, it turned out just to be a little bit
6 longer than what I wanted it to. But I do believe that
7 the second offer is a good offer, and I think the
8 sellers are interested in selling. So that would make
9 up 100 percent of are our offsets.

10 COMMISSIONER ROHY: And just to be clear to
11 the public, when you said you would -- once the deal
12 was signed, you would put it in a document so it
13 becomes publicly available so everyone has access to
14 that information. Is that correct?

15 MR. WEHN: That is correct, sir.

16 MR. THOMPSON: When the second contract is
17 executed and filed, we will release all the information
18 that was filed under confidentiality.

19 COMMISSIONER ROHY: Thank you.

20 MR. THOMPSON: Any questions about the air
21 offer sets?

22 MS. WHITE: Does that also include the
23 offsets you're receiving?

24 MR. WEHN: Would you restate that, please?

25 MS. WHITE: Are the contracts that you're
26 talking about reflect the time required to bank ERC's?

1 MR. WEHN: The document will not reflect the
2 actual time that it's going to take to bank the
3 unbanked portion. We could get a document -- I believe
4 we could get a document out of the Bay Area AQMD that
5 would give us a summary of the quality of those
6 offsets, number one, and the time it's going to take to
7 put them in the bank. So I think we could get
8 something from them that we could go public with?

9 MS. WHITE: Do you have any indication of
10 when that might be.

11 MR. WEHN: I would hope that I could do that
12 by the end of this month. The sellers, incidentally,
13 are in negotiations with the District, and on these
14 unbanked credits, every indication is from the
15 Bay Area AQMD that there will be no problems with
16 banking those credits, and, secondly, there will be no
17 conditions placed on them.

18 MS. GEFTER: Okay. I want to interrupt for
19 a moment. A member of the public has also arrived, and
20 I want to put her name on the record.

21 Paulette, would you introduce yourself for
22 the record?

23 MS. LAGANA: Yes. I'm Paulette Lagana,
24 president for CAP-IT.

25 MS. GEFTER: Thank you.

26 Go ahead.

1 MR. THOMPSON: A very nice segue into the
2 Bay Area, Question Number 3. I hope that the
3 information that the Bay Area gave us today and the
4 information that they gave the staff is the same.
5 We'll see.

6 Our information is, is that the preliminary
7 DOC will come out on or around February 26th. Now, the
8 District has distributed copies of draft conditions and
9 has received comments back on them, so we would hope
10 that the PDOC would be something that we would all be
11 familiar with.

12 We were told, secondly, by the District that
13 if comments were none or minimal, they could get the
14 FDOC out on or about April 9 -- or April 8, I suppose I
15 should say, which is a date that is reflected in the
16 schedule. If there were substantial comments it would
17 probably take them two weeks longer.

18 Is that basically what you guys heard?

19 MS. WHITE: Do you want me to respond to the
20 request for the District's schedule at this time?

21 MS. GEFTER: Yes.

22 MS. WHITE: All right. The district has
23 conveyed it to me, and they would like the
24 Commissioners to be aware, the times -- the schedule at
25 this time for the banking process for the ERC's that
26 are currently not banked is about 60 days from the time

1 that application was made, so we're looking at not
2 quite two months from this date. We were informed that
3 the banking process had been started around
4 February 9th. I'm not sure of the exact date that
5 those credits have been submitted to the District, but
6 it will take about 60 days.

7 The District has informed me that, as they
8 put it, these are banking -- this is a banking process,
9 and that they are not currently, nor should they should
10 be currently considered bank credits. So just to have
11 the District be aware of that.

12 At this time the District anticipates having
13 their PDOC on the street by about March 3rd. They are
14 trying to finish it up by the end of February so they
15 can get it out on March 3rd. They are required to have
16 a 30-day comment period and will need adequate time to
17 reflect any comments on the PDOC and incorporate them
18 into the FDOC.

19 According to Dennis Jang, with the District,
20 they expect that the FDOC should be accomplished
21 sometime between April 16th and the 23rd, assuming
22 there are no issues or conflicts with the PDOC or with
23 any of the credits that are currently going through the
24 banking process.

25 MR. THOMPSON: We sincerely hope that
26 ourselves and the District are talking the same ERC's,

1 because our information is the application has been on
2 file for a number of months.

3 MS. WHITE: For the ERC's? For the ones
4 we're talking about, February 9th?

5 MR. THOMPSON: Yes. So we hope we're
6 talking about the same ones.

7 COMMISSIONER MOORE: Perhaps we can send a
8 letter to the District and ask them to answer that
9 specifically. It's troubling to be at this stage and
10 have a misunderstanding surface the way this one has.

11 I'd like to have a letter go out if we can,
12 Mr. Chairman,

13 COMMISSIONER ROHY: We can send that out as
14 a committee request.

15 COMMISSIONER MOORE: And clear that up very
16 specifically, that's more than just a noticing.

17 MR. THOMPSON: Well, I must say that we did
18 not ask the question of the length of time it would
19 take to process the ERC's. It was -- this was prior
20 knowledge that we thought was correct.

21 COMMISSIONER MOORE: No. Referring back to
22 your earlier comment where you talking about different
23 ERC's, and maybe this is as good a time as any to ask
24 for no acronyms please. I think the audience might do
25 a little better if we slowed down a little bit and
26 spelled out what the acronyms spell. But those

17

1 credits, it sounds to me as though you're talking about
2 different credits.

3 MS. WHITE: Well, at the February 3rd --
4 pardon me, the February 9th staff workshop that we
5 held, we had asked Dennis Jang from the Bay Area AQMD
6 to give an indication of how long roughly their process
7 takes to bank emission reduction credits. At that
8 time, he indicated it's about 30 days or so to process
9 the application, and then another 30 days for public
10 comment. So roughly two months.

11 At that time, there was no specific date
12 given to us as to actually when the emission reduction
13 credits have been submitted to the District for
14 banking, and our assumption was that it was being
15 brought up at the February 9th, that it's roughly at
16 that time, but if it's been month that they've had
17 these applications, staff would certainly like to know
18 when the applications were made, so we can get a better
19 information from the District when they expect to start
20 the public process. That might help us a great deal to
21 understand when we can expect an answer and whether or
22 not they be banked.

23 MR. THOMPSON: That's fine. Keep in mind
24 that this was filed under confidentiality, and they're
25 not ours yet.

26 MS. WHITE: Understood.

1 MR. THOMPSON: If we get the signature
2 tomorrow, we'll release that. Then we'll all know and
3 should all be on the same page. I think part of the
4 difficulty is trying to keep the negotiations
5 confidential.

6 MS. WHITE: Okay.

7 MR. THOMPSON: And we can take it upon
8 ourselves to send a letter out and serve it to
9 everyone, identifying the ERC's and identify where in
10 the Bay Area Air Quality Management District process to
11 be banked credits are.

12 COMMISSIONER ROHY: Are you offering to do
13 that, Mr. Thompson?

14 MR. THOMPSON: Well, what I offered
15 previously to do is to let everyone know that we had,
16 indeed, secured the credits. Now what I'm saying is,
17 we will take it one step farther and find out where the
18 credits are in the District process so that people
19 would know where they are in that banking process.

20 COMMISSIONER ROHY: Mr. Thompson, I would
21 ask you to send that letter and inform -- send the
22 response you get back to docket to the parties so that
23 we then have a clear record of when these emission
24 reduction credits -- thank you Commissioner Moore --
25 will be available.

26 And I have a problem with the dates that I
19

1 heard. I heard the applicant mentioned an updated
2 final decision. It is very difficult in this business.
3 April 8th, and staff mentioned April 16th to 23rd.
4 Since we feel as a Committee that we need to start our
5 evidentiary hearings between April 12 and 23rd, that is
6 a very significant difference, so it is important to
7 know when that report will be coming.

8 MS. WHITE: The District asked me to urge on
9 their behalf this the Committee consider a slippage in
10 their evidentiary hearing schedule, because they do not
11 feel as though they can issue the FDOC on the April 8th
12 date, and, in fact, it would probably be sometime
13 closer to the end of that time frame that I spoke of
14 earlier, the 16th to the 23rd.

15 COMMISSIONER MOORE: They're asking us to
16 slip the dates --

17 MS. WHITE: Of the evidentiary hearings.

18 COMMISSIONER MOORE: And we haven't even
19 released the dates yet?

20 MS. WHITE: These are dates in your December
21 schedule. They're referring to the December schedules.

22 COMMISSIONER ROHY: Mr. Thompson, is that a
23 commitment then on your part to do that?

24 MR. THOMPSON: It is, sir.

25 COMMISSIONER ROHY: Thank you.

26 MR. THOMPSON: And I would say, even if the
20

1 process takes until the 23rd, which is the last date I
2 heard for the final DOC, I would point out that that is
3 still, albeit the last date for the evidentiary
4 hearings, but I guess I'll point out that that's not
5 too unusual for the process.

6 MS. GEFTER: What kind of time line do you
7 have in mind for sending this letter to the air
8 district and getting both your letter and the air
9 district's response docketed?

10 MR. THOMPSON: I am hoping that I would be
11 able to get this letter out the day our contract is
12 signed or the next day. When we know that a contract
13 has been executed, I will do my best to get the
14 information out of the District, put it into a letter
15 form, albeit brief, and serve it on all of the parties.

16 MS. GEFTER: I wanted to ask staff whether
17 they had a particular question with regard to the time
18 line of banking these emission reduction credits so
19 that you need to work with the applicant and what kind
20 of questions you asked the District.

21 MS. WHITE: The District has assured staff
22 that they can accept this offset packages as banked
23 credits, and our concern is that the credits that are
24 included in the offset package be viable, realistic
25 offsets that we can actually look to and provide input
26 to the Committee with the level of confidence that it

1 will satisfy the offset comments. So to the extent
2 that we can get an indication from the District as to
3 their schedule from the offsets being banked -- that
4 emission reduction credits, I'm sorry, being banked and
5 get an indication from the District what that time
6 line's like and when they will be issuing their FDOC
7 either to reflect the banked credits or to give some
8 assurance that the credits are viable and acceptable to
9 the District. Our concerns should be addressed.

10 COMMISSIONER ROHY: Are there comments on
11 the air credits?

12 MR. THOMPSON: Let me add one thing for the
13 clarification. The information we have is that the
14 application for this credit was filed -- or these
15 applications for credits were filed some time ago, and
16 that District owner negotiations have been taking place
17 over some of the terms and conditions of the banking.
18 So we're trying to step into the middle of that process
19 and complete it, so, to my knowledge it's not a new
20 process that we're starting.

21 COMMISSIONER ROHY: Thank you.

22 MS. GEFTER: The next topic, then, would be
23 the schedule for the ISO's review of the facility study
24 report from PG&E.

25 The applicant can continue with your
26 presentation on that topic.

1 MR. WEHN: We submitted the -- our facility
2 study that was produced by PG&E to the ISO, and we, as
3 well as docketed it at the Commission. I think the ISO
4 is, in fact, reviewing it. They asked for a light load
5 study to be conducted. We did that. We submitted the
6 results to them, but I think there are some issues out
7 there that probably are best described by the ISO, if
8 they would like to step up and talk about that at this
9 time. We're trying to supply the information that's
10 needed for their approval, and at the same time, I
11 think the ISO is working with the staff to reach an
12 agreement on what issues are acceptable to both
13 parties.

14 MS. GEFTER: Can we back up and minute and
15 tell us when you submitted the facility study to the
16 ISO and when it was docketed? If you don't have it
17 right this minute, we'll get it, because what we would
18 like to do is wait until the end of your presentation
19 and staff's presentation, and then aware going to ask
20 the represented from the ISO to give us his
21 presentation, because otherwise it's going to take too
22 long. If you could give us those dates later on, just
23 let's go forward.

24 MS. WHITE: You're talking about the
25 December 4th PG&E published study that was docketed
26 with the Commission on December 7th.

1 MS. GEFTER: Thank you. It was published by
2 the PG&E on December 4th.

3 MS. WHITE: It was docketed by PG&E on
4 December 4th. Then it was documented December 7th.

5 MS. WHITE: December 7th.

6 MS. GEFTER: Okay. Thank you.

7 Is that the only document that we're working
8 with right now?

9 MS. WHITE: At this time --

10 MS. GEFTER: The December 4th.

11 MS. WHITE: At this time, the December 4th
12 one for the Pittsburgh Energy District Facility.

13 MS. GEFTER: I think what I'd like to do
14 right now is just continue with the applicant's
15 presentation, and then we'll go to staff's
16 presentation. Then we would ask the representative
17 from ISO to do his presentation.

18 If you have nothing further on this topic
19 right now, why don't you go on to the next question.

20 MR. THOMPSON: Okay. Just as background, I
21 think that we commissioned -- PG&E wrote the check in
22 July, and the study came out finally in December, and
23 we believe we have little control over this calendar.

24 With regard to the Number 5, which is the
25 status of the Regional Quality Control Board, I have
26 Joe Patch to this.

1 MR. PATCH: Yes. We have met and submitted
2 and docketed with the Commission, the application is an
3 industrial waste discharger. That application is
4 strictly between the Pittsburg District Energy Facility
5 and Delta Diablo Sanitation District. That was
6 docketed about three weeks ago, four weeks ago.

7 The docket of the application -- the permit
8 application also contained a letter from Delta Diablo
9 stating that the application as prepared and as
10 reviewed and as docketed, is satisfactory. It would
11 constitute an approved permit based on the procedure
12 requirement of Delta Diablo. They typically issue
13 permits to industrial waste discharges 30 to 45 days
14 prior to the initial discharge. That question had been
15 raised several months ago, and the question was, can we
16 proceed? We have done that. The permit was submitted.
17 There is no issue between Pittsburg District Energy
18 Facility and the Regional Water Quality Control Board.
19 We deal strictly with Delta Diablo.

20 MS. GEFTER: Okay.

21 MR. THOMPSON: And there is nothing further
22 to receive from Delta Diablo until just prior to
23 operation.

24 MR. PATCH: 30 to 45 days, we would either
25 dust that permit off or we would resubmit the permit,
26 and they would then issue us a permit to discharge --

1 an industrial waste discharge permit.

2 MS. GEFTER: If staff have any questions
3 about the letter of Delta Diablo?

4 MS. WHITE: Actually, if you would like, I
5 can address them now, or I can wait to address them in
6 terms of staff's analysis and status of our work.

7 MS. GEFTER: Okay. We'll wait.

8 Applicant can proceed.

9 MR. THOMPSON: Number 6 asked for our
10 position, including intervenor Delta Energy Center --
11 congratulations, Delta, by the way. I understand they
12 obtained that adequacy today -- regarding the timetable
13 for the cumulative impact analysis provided by Delta
14 Energy in their docket, 98 AFC-3.

15 I think our position is that the Delta
16 application and the Delta description of cumulative
17 impacts is, if not a very good start or completion, it
18 is a very good analysis of the cumulative impacts that
19 would include our facility, and I would suggest that
20 that staff use the cumulative analysis that has been
21 conducted in Delta and either applied forward to us
22 when complete or prior to the close of this docket.

23 Two examples, one similar, one not so
24 similar come to mind. Last night at a La Paloma
25 proceeding in Bakersfield, the same issue came up. The
26 Sunrise Cogeneration Facility, which I think also

26

1 achieved data adequacy, has a cumulative impact
2 analysis contained in their application to the
3 Commission. They also trail La Paloma by some six or
4 seven months in the process, and by talking to
5 Ms. Eileen Allen of the staff, I asked how comfortable
6 they were using the Sunrise cumulative analysis as a
7 base and then bringing it into our case, and she
8 alluded to me that she thought that was a pretty good
9 idea. I, of course, think it's a very good idea for
10 this case as well.

11 The second example which is different is the
12 High Desert case in which the staff independently
13 conducted a cumulative analysis -- that's not right. I
14 was actually thinking of the alternative analysis.
15 Never mind.

16 At any rate, I think the example of
17 La Paloma, I think, makes some intuitive sense, as we
18 are very far along in our process, and it's difficult
19 for us to reach back and gain enough information to
20 complete such analysis. It's easier to look forward
21 into all the material that's on the record in our case.

22 I didn't help you much in timetable there,
23 I'm afraid.

24 MS. GEFTER: Go on to the next one.

25 MR. THOMPSON: Question Number 7 addresses
26 the advantages and disadvantages of bifurcating the

1 staff assessment, and I think where I stand right now
2 is that we don't know where the ISO work is, but on all
3 other areas, we believe that we will either be prepared
4 to go to hearings and submit testimony which will
5 reflect a mutual agreement between ourselves and staff,
6 if not on the content of each discipline, on the
7 conditions of certification and verification of those
8 conditions. Air quality may trail a bit only because
9 the offsets may come in a little later, and there may
10 be some differences between the final DOC and the
11 preliminary determination of compliance.

12 Even under the schedule that we heard today
13 from the Bay Area Air Quality Management District, we
14 should all have the preliminary determination of
15 compliance well in advance of our hearings in the
16 preparation for those hearings. So I am confident
17 that, if a bifurcation occurs, we can take basically
18 all the issues -- I'd like to deal with transmission
19 when the ISO speaks -- and maybe have air trail by a
20 couple weeks so it can include the latest information,
21 if need be.

22 COMMISSIONER ROHY: In the case of the new
23 Committee schedule, the bifurcation question is almost
24 not appropriate at this time, but I would agree with
25 your comments on at least we can order the rescheduling
26 of the discussion items during the period we have

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1 indicated here for the hearings.

2 MR. THOMPSON: Right.

3 Finally, Number 8 asks for our position on
4 the advantages and disadvantages of the performance
5 schedule.

6 I come to this question with a bias against
7 it because it did not work very well in High Desert,
8 and the reason was, I think, this was a dynamic process
9 where, as you all know, a schedule that contemplates
10 project issues in January will not look too much like a
11 project schedule that contemplates issues in March.
12 Things change. New issues arise. The importance
13 issues that we all thought were important in January is
14 decreased in March.

15 I would prefer to live with the Committee's
16 advised schedule to every extent possible, and I would
17 commit on the part of applicant that we will meet the
18 dates and perform all of the functions that we can
19 within our control. That, of course, leaves out other
20 agency actions, but to the extent that we have control
21 over, it will be there. Thank you.

22 MS. GEFTER: Thank you very much.

23 COMMISSIONER ROHY: Thank you.

24 MS. GEFTER: At this point, unless the
25 Committee has some more questions of the applicant on
26 this presentation, we can ask staff to make its

1 presentation, again, following the list of questions
2 that appear in this notice.

3 MS. WHITE: Staff issued to the applicant on
4 January 22nd additional data requests as they related
5 to the supplement to the AFC we received in December,
6 and we have received the responses to air quality, and
7 in particular, confidential filings on the emissions
8 offset package, and then information about the
9 applicant's assumptions and calculations. I received
10 yesterday information on the visual plume information
11 that we've requested, but I've gone through my files,
12 and I have yet to seen photo simulation, so to the
13 extent that the applicant says they have filed them, I
14 need to double-check on whether or not, in fact, those
15 have been received, but based on the docket file that I
16 looked at this morning, they are not there.

17 We are also working with the City of
18 Pittsburg and other local agencies to obtain the
19 information that we need related to land use concerns
20 of local agencies. We had put our requests in writing,
21 and issued them to the local agencies on January 26th,
22 and have been working with them to try and resolve any
23 of the questions that we continue to have about the
24 concerns the local agencies might have to the project.
25 We anticipate we will have most of this incorporated by
26 the March 11th filing, but we'll still be looking for

1 the local agency input subsequent to the filing
2 comments on the staff assessment.

3 MS. GEFTER: I have a question regarding the
4 letter from the county on land use.

5 MS. WHITE: Yes.

6 MS. GEFTER: Is there any update?

7 MS. WHITE: We're just trying to resolve the
8 concerns at this time. I can't tell you if there's
9 total closure yet or not, but trying to make sure that
10 all the concerns are addressed and that the appropriate
11 lores are incorporated into staff analysis. We are
12 trying to work diligently on getting that done by the
13 March 11th date.

14 Outside of the photo simulations, I'm not
15 necessarily considering that specific requests be made
16 from local agencies. All the other data requests
17 pretty much have been responded to.

18 Briefly, to kind of sum up what we know
19 about the District's schedule on your Item 3. They had
20 indicated to us in a phone conversation today that the
21 document, the PDOC, the preliminary determination of
22 compliance, should be available for the general public
23 by March 3rd, and that there will be the 30-day comment
24 period, and if all goes well and an ideal process
25 happens, the District hopes to issue their FDOC
26 sometime between April 16th and the 23rd. Staff would

1 then need time to review the FDOC and make sure that it
2 can insure those final determinations in its testimony
3 and insure that the proposed conditions reflect any
4 changes that would occur between the PDOC and the FDOC.
5 At a minimum, we're lacking at revising staff testimony
6 two weeks after the FDOC.

7 There's also a question related to the ERC
8 banking action. Staff, at this time, is waiting to
9 hear more information from the District on how those
10 banking actions are going. Based on my previous
11 comments to you, you understand the schedule we were
12 aware of.

13 On Item 4, I would like to defer most of the
14 comments about the ISO schedule to Peter Mackin, who's
15 here from the ISO, but in terms of how their schedule
16 will affect staff's analysis, it is our understanding
17 that the ISO has yet to receive and review a final
18 interconnection study to be produced by PG&E, or what's
19 also been referred to as a detailed study. In the
20 review, the ISO will recommend remedial action schemes,
21 downstream upgrades or some kind of combination of
22 both. Staff, in order to fully understand what
23 potential downstream upgrades have been required, have
24 yet to have that input from the ISO, because they have
25 not been able to do that study. So we do not know what
26 kind of environmental effects might be associated with

1 any potential downstream upgrades to reflect that in
2 our analysis at the time, and that will be dependent
3 upon when that detailed study is done and we have a
4 better indication if any downstream upgrades will be
5 required.

6 In terms of the cumulative impact analysis,
7 staff is right now utilizing what information it has on
8 the Delta project. We are expecting additional
9 information on the Delta project to be available to
10 staff in the future, that we could incorporate into our
11 cumulative impact analysis and make it complete. To
12 date we have not received the -- in terms of
13 transmission -- the preliminary interconnection study,
14 so we have not even been able to start addressing
15 cumulative impacts associated with the two projects on
16 the system. We expect that the Commission will be
17 able -- will not be able to approve the PDOC until it's
18 really known what kind of downstream modifications, if
19 you have some. I have mentioned this here to respond
20 to any of your particular questions. Just in general,
21 this is where we are in our schedule.

22 On Item 5, staff has contacted the Regional
23 Water Quality Control Board, and have learned that at
24 this time they really have no opinion about the
25 industrial discharge permit. They don't usually
26 comment on them, but because the Delta Diablo Waste

1 Water Treatment Facility is operating on an expired
2 MDPS permit -- and I'm sorry about the acronym -- my
3 mind's a little blank on what that stands for, but
4 their MDPS permit expired about a year ago, and they're
5 now operating on an extension. The information we've
6 been given today is that the sanitation district has
7 not yet filed for its new MDPS permit, and the concern
8 that the Regional Water Quality Control Board has,
9 mostly deals with the related permits that the waste
10 water treatment facility would have to be under in
11 order to grant the industrial discharge permit. They
12 have a master recycling permit that, to urge, would
13 have to be obtained by the Delta Diablo District prior
14 to distributing any kind of recycled water. So in our
15 staff analysis, we're looking at that to try and see
16 how the board would respond, what kind of concerns
17 they're trying to address, or what additional
18 information they need.

19 Generally, in terms of cumulative impact
20 analysis in response to your item six, we are working
21 to try and address the impacts on all of the
22 traditional areas as best we can. The air quality
23 impacts are problematic. We're still getting through
24 all the materials that were submitted in December and
25 subsequent to the December 7th filing. We're also
26 looking at the air quality information related to Delta

1 and at this time will not be able to include a complete
2 cumulative impact analysis in the March 11th filing.
3 That pretty much goes for the cumulative impact
4 analysis on transmission related to my previous
5 comments on the filing of those studies. However, we
6 are doing what we can to cover the other concerns in
7 the other technical areas as best we can by March 11th,
8 and to the extent there's concerns related to water, we
9 may or may not be able to fully address those as well
10 on March 11th.

11 Item 7, staff is opposed to the bifurcation
12 of the staff's assessment. We would rather issue a
13 staff's assessment on March 11th with as many of the
14 sections complete as possible. However, as we have
15 informed you in our last status report, not all of
16 those sections will be complete. We anticipate, based
17 on what information staff receives, that those
18 testimonies would have to subsequently be revised, and
19 I, at this time, can't give you a definitive answer as
20 to what the other agency's schedules actually are going
21 to be, other than what I've conveyed already. This
22 indicates that there would be problems with having a
23 complete staff testimony for evidentiary hearings on
24 the air quality transmission and the other areas,
25 depending on what information we receive there may also
26 be land use concerns and water.

1 In terms of the performance schedule, we
2 believe that it's preferred to substitute a performance
3 schedule if the effort is to ensure that key intervals
4 are maintained. We understand that a performance
5 schedule does not necessarily capture other agencies
6 such as SPOCMUD (phonetic) or the Cal ISO, whose
7 schedule we don't have control over, nor does the
8 applicant, but would urge the Committee to recognize
9 that those products are critical to the overall
10 schedule, the ability for staff to complete its
11 analysis and ultimately the timing of the decision. So
12 we ask that you keep that in mind.

13 COMMISSIONER ROHY: I'd like to comment --
14 ask both parties to comment a bit on schedule now,
15 because when the Committee put our revised schedule
16 together, which we gave you tonight, that schedule has
17 no slack in it to meet the 12 months. There is no
18 slippage possible. We have wrung out every bit of time
19 in here. If, in fact, there is not a complete case in
20 the schedule, the Committee intends to go further, but
21 with an incomplete record, it may not be advantageous
22 to the applicant, so we need to work together
23 tonight -- and I'm not sure that can happen -- to make
24 a complete case for this schedule so that we can make
25 our 12 months for our final recommended decision. I
26 think that's something that's one of the critical

1 issues tonight.

2 Mr. Thompson.

3 MR. THOMPSON: Thank you. A brief response
4 to a couple of the points raised by staff, and then I'd
5 like to address the schedule to give you on this topic.

6 I believe that if staff issues its staff
7 assessment on the 11th, we can submit testimony and
8 prepared to go to hearings probably in something like
9 24 of 26 witnesses, and that testimony, I'd assume,
10 would be uncontested. I have every hope that we will
11 be able to iron out any differences that we may have in
12 conditions and verifications. We are, I think, very,
13 very similar, and we have seen enough of the conditions
14 in other cases to become comfortable with the staff
15 approach in many of the disciplinaries.

16 With regard to air, I think that that can
17 trail. I think that we can file the final DOC into the
18 record the day its released or the day after, and if
19 staff -- if it takes two weeks for staff to decide
20 whether it wants to change its testimony because of any
21 differences between the PDOC -- the preliminary
22 determination of compliance, and the final of that
23 document, we at least all will have the benefit of
24 having both of those documents in the record,
25 presumably by the time when hearings would close
26 according to your schedule. So that, I think, actually

1 could fit fairly well.

2 With regard to Delta Diablo Regional Board,
3 that one is, I think, truly out of our hands. That one
4 seems to be an issue between the sanitation district
5 and the regional board. I don't think there's anything
6 that we can do to help or hinder that one.

7 Lastly, regard to the ISO and awaiting that,
8 I have to profess that I don't know what to recommend
9 on this one.

10 COMMISSIONER ROHY: Excuse me, could we
11 defer the ISO discussion until we hear from our ISO
12 representative?

13 MR. THOMPSON: Yes.

14 COMMISSIONER ROHY: I think it would be time
15 better spent.

16 MR. THOMPSON: Great. That's really all I
17 have. I can see a pathway for everything but the ISO
18 as I sit here right now.

19 MS. GEFTER: I have a question, a little bit
20 off of the topic we've discussed.

21 I'm wondering if there's any issue with
22 respect to visuals or will that question be solved if
23 you receive those photo simulations that you were
24 asking for.

25 MS. WHITE: In terms of the trailing
26 information, receiving the last batch of plume data

1 yesterday -- it's quite lengthy, and I know our
2 technical staff has not been able to fully address this
3 yet -- and the photo simulation information yet to
4 come, all I can say is we're trying to accommodate the
5 schedule and to get what we can incorporated into the
6 March 11th document. However, on visual, there is the
7 potential for having revised that testimony, but it's
8 not so much contingent on another agency's
9 determination. So from our standpoint, I think we can
10 address these concerns within the time frame allotted.
11 We're not waiting for another agency's determination or
12 input from a regional board or a district.

13 MR. THOMPSON: If I can point out, I think
14 an illustration of applicant's willingness to
15 contribute to the record, it was noted that the data
16 request came out January 22. The code allows 30 days.
17 You'll note that we're well in advance of 22 -- at
18 least we think we've got everything, and maybe that
19 document there didn't make it in today -- or yesterday,
20 but we thought it would. We're trying our best to get
21 material to staff as quickly as we can, regardless of
22 legal days.

23 MR. PATCH: Let me add. On the visual, the
24 visual simulations were sent to the docket center on
25 February the 12th; right? Last Friday. Monday was a
26 holiday.

1 MS. WHITE: Friday was a holiday as well.

2 MR. PATCH: It was Fed Ex'd in, so what I
3 propose is I'm sitting here with a copy of the service
4 lists. What I'm saying is, several of the services
5 have received them. Maybe I can just give it to you,
6 Lorraine.

7 MS. WHITE: That would be appreciated pretty
8 very much.

9 MS. GEFTER: Thank you very much. We're
10 going to need to take a break. We can reconvene in 10
11 minutes. Thank you.

12 (Whereupon, a break was taken.)

13 MS. GEFTER: Let's reconvene.

14 Before we begin our next stage, we have
15 another member of the public that I'd like to
16 introduce, Tyler Turner.

17 Would you please introduce yourself?

18 MR. TURNER: My name's Tyler Turner, I'm
19 just a resident of Antioch and just interested in the
20 proceedings.

21 MS. GEFTER: Thank you. We're glad to have
22 you here.

23 What we'd like to do next is ask a
24 representative from Cal ISO to come forward and explain
25 the process to us and then what your understanding is
26 of where the Pittsburg District is in terms of their

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1 interconnect study.

2 COMMISSIONER ROHY: And if I may ask, would
3 you start by explaining what Cal ISO is, please.

4 MR. MACKIN: First of all I'm Peter Mackin.
5 I'm the ISO grid planning engineer.

6 And what the ISO is, because of the
7 deregulation of the electric utility industry, our
8 charge is to enable markets to provide competition in
9 electric service and also to ensure reliability on the
10 grid. The reason I'm here tonight is because part of
11 that charge that we have for ensuring liability
12 whenever a new facility approves to the grid, we have
13 to approve the interconnection to make sure the
14 interconnection is designed so the grid will still be
15 active. That applies to generations as well as.

16 What I was hoping to do tonight was kind of
17 give you a kind of background -- kind of three things,
18 a background in the process that we go through in
19 determining an interconnection and approving an
20 interconnection, and also go through a little
21 background on what we're trying to do to define in the
22 interconnection process when facilities are impacted by
23 a new facility or a generation or a load, who's
24 responsible for mitigating those impacts, and there's a
25 couple of different scenarios that we have, and we
26 haven't decided on which one yet. We're working toward

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1 a resolution of that, but because that's still up in
2 the air, it's kind of to provide background as to why
3 we're in the situation we are today right now. Then
4 also, the third thing would be to give a little bit of
5 quick status on the information that we've received to
6 date from Enron and PG&E and where we think we need to
7 go before we can approve the interconnection.

8 Actually, I'm going to reverse the order a
9 little bit. The first thing I was going to do was go
10 over the two different methods.

11 Right now there's two proposed methods for
12 mitigating impacts on the grid. If you have a
13 generator and it comes in, there's two possible ways
14 you can mitigate the problem that might be caused by
15 the generator, and one of them we're calling market
16 solution, and the other one we call advanced congestion
17 mitigation.

18 The idea behind the market solution is that
19 the generator builds facilities to get themselves to
20 the nearest point of connection in the ISO grid. All
21 they have to do is to go to the facility to get output
22 from the grid. If there are any problems caused by
23 that generation further downstream, the market will
24 take care of that. In other words, there may be other
25 generators that can be curtailed to relieve any
26 problems that occur due to the new generator. In that

1 case, the reason it's called market solution is, it's
2 the cheapest generator would get on the bid and the
3 more expensive would not.

4 The other methodology is called advanced
5 congestion mitigation, and it's reverse in that the new
6 generator would have to admit in advance any problems
7 they caused downstream. There's also, in this advanced
8 congestion mitigation, three ways they could do that.

9 One way would be they could build new
10 facilities or enforce facilities that were impacted.
11 They could implement what's called a real action
12 scheme, where, if a facility became overloaded, they
13 would reduce their generator output to relieve that
14 overload.

15 The third facility -- or the third option on
16 advanced congestion mitigation output is to absorb the
17 costs of the congestion, and it's a little different
18 than the market solution, because in the market
19 solution, the cheapest generator would win. In this
20 scenario, the cheapest generator would still win, but
21 the last generator upon the grid would pay those costs,
22 and right now we're weighing these two options.

23 What we try to do at the ISO is try to get a
24 broad stakeholder input from all affected parties. We
25 have stakeholders that are represented generators,
26 loads, electric consumers, transmission owners, and we

1 try to get them all -- it's hard to get them to agree,
2 but we at least get their input, and from that input
3 try to make a decision that everyone can live with.

4 And where we are right now in this process
5 is we have -- the two positions are fairly well
6 defined, and what we're doing right now is, within the
7 ISO, we're looking to determine the attributes we want
8 to apply to these options to decide which would be the
9 deferred option. Once that's been decided, we take
10 these options to what we have. We have the committees,
11 called a market issue, where all the committees get
12 together and discuss the two options and try to come up
13 with a consensus or not to support certain positions.
14 You know, certain parties support this position;
15 certain parties support this position. And then at
16 that point, once we've done our consensus, we actually
17 have them create policy for us, and at that point we
18 then know which way we're going to go, market solution,
19 advanced congestion mitigation, or eventually some kind
20 of compromise between the two.

21 Our schedule right now is to go to our board
22 of governors on -- I don't have the precise date. It's
23 the March board meeting. We will take this to them at
24 the March board meeting and hopefully a decision will
25 be made at that time.

26 The other part of the process I wanted to

1 describe was the actual interconnection process and the
2 process of doing the analysis for determining if a
3 generator or load meets -- or can reliably interconnect
4 to a grid.

5 The first part of that process is for the
6 generator load to go to the participating transmission
7 owners, and in this case that's PG&E, and request what
8 PG&E calls an informational review, and there's no
9 charge for that. PG&E just does a quick analysis and
10 determines if they need to do an additional study and a
11 ballpark -- with absolutely no obligation, a ballpark
12 estimate of what it might cost to interconnect. At
13 that point, the generator has a choice. It can say,
14 "No, this is too expensive." I don't like this
15 location. I want to try someplace else." Or they can
16 go forward and say, "Let's do a preliminary study,"
17 which is the next step, and PG&E would pay the study,
18 and they would go forward with this preliminary study,
19 and this preliminary study takes approximately a 120
20 days, or it could take more, but it's around a 120
21 days, and once that study is complete, the costs are
22 plus or minus 50 percent, and a lot of times PG&E would
23 weigh different options from the generator's
24 standpoint. Different alternatives, like, for example,
25 with the PDEP, they looked at different options. PG&E
26 provided different costs so that they could weigh those

1 two alternatives and decide which we would prefer for
2 them. After the study is done, at that point the
3 generator, once they decided on an alternative they
4 preferred, they go back to PG&E and ask for a detailed
5 study, and a detailed study is a little more involved,
6 and it's a little more accurate. Once that study's
7 complete, the generator can sign an agreement with PG&E
8 to interconnect, and at that point they're obligated to
9 pay the amount that PG&E estimates the cost would be.
10 It's good for 60 days.

11 So the difficulty is that, you know,
12 generator probably is not going to do a detailed study
13 until the study would be completed within 60 days of
14 the time that they get a license from the CEC to build
15 a generator, because if they don't they have -- the
16 problem is, that they've got a detailed study done but,
17 yet they don't have a license to build. So if they
18 don't decide in the 60 days PG&E says they need to
19 build, they have to go back and do the study again. So
20 it's kind of a catch 22, and what -- and that's the
21 process that we've been dealing with. What we're
22 trying to do is streamline that process a little bit so
23 it's not as onerous and difficult to work with.

24 I guess the last bit of information that I
25 wanted to convey tonight was the actual status of the
26 Enron interconnection study.

1 We received a copy -- well, PG&E did a
2 preliminary study for Enron and that was completed in
3 December, I believe, and at that point we reviewed that
4 study. We determined that there were some additional
5 conditions that needed to be examined because there
6 were potential facility impacts that were not captured
7 in the initial study, so we asked for some additional
8 analysis. We had a meeting in January with all the
9 parties and they -- at that point PG&E agreed to
10 perform a quick analysis of the additional conditions
11 that we were looking at. That study was done, and we
12 received the results last -- no, a week -- a week ago
13 Friday, I believe. And we've actually reviewed those
14 results, and on Friday last week, we sent an E-mail to
15 Enron, listing the facilities we believe to be impacted
16 by their project.

17 The problem is that we -- we're not able at
18 this point to approve any interconnection to the grid
19 because we don't have enough information to do that,
20 but our charge is more -- it's got a different focus, I
21 think, than the CEC -- of course, I don't want to
22 presume to tell you what your focus is, because you're
23 the experts -- but what we were trying to capture in
24 this analysis that we had PG&E perform for Enron, was
25 the major transmission facilities, the facilities that
26 would have a visual impact or that would have an

1 environmental impact, if there were changes made to
2 them, and we believe we found all those facilities, and
3 that's what we stated in our E-mail to Enron on Friday.

4 We have a list of facilities -- a complete
5 list of transmission facilities that we believe will be
6 impacted by their project, but the problem is that we
7 don't have -- we have the complete list, so we have all
8 the facilities, but we don't have the list of
9 facilities specifically that Enron is going to go ahead
10 and make changes to, because, again, we haven't decided
11 on a policy yet, so we don't know if we're going with
12 market solution or advanced congestion mitigation. If
13 we go with market solution that listing, Enron won't
14 have to fix anything. Just looking at interconnection
15 between and PG&E and the generator.

16 If you go with advanced congestion
17 mitigation, because there is a list of facilities
18 downstream that are impacted, there's a possibility
19 that Enron could choose to fix, reconstruct some of
20 those facilities, or reinforce some of those
21 facilities, or they could potentially implement what we
22 discussed earlier, simply decide to go with the
23 advanced congestion mitigation -- excuse me, they could
24 absorb the cost of congestion for those facilities.

25 So you could -- and it would be Enron's
26 decision. They would make the decision based on what

1 was economic for them. We wouldn't force a decision on
2 them. We wouldn't say, "Here's our list" -- it's kind
3 of described like a menu. "Here's our menu of options.
4 You pick what you like based on your economics."

5 So that's kind of, in a very roundabout way,
6 the status of the visual.

7 COMMISSIONER ROHY: Thank you for that
8 presentation. I'd like to ask a few questions.

9 First of all, you sent an E-mail to Enron.
10 Is that going to be a document that will be part of the
11 docket?

12 MR. MACKIN: It's perfectly fine with me.
13 It was sent to Enron, so I guess I would defer to
14 Enron. If they want it documented, that's fine with
15 me.

16 COMMISSIONER ROHY: You said you need more
17 information. Was that more information you're
18 referring to these choices between these two possible
19 solutions or you need information from applicant or
20 staff?

21 MR. MACKIN: As far as the impact at the
22 transmission facilities, the transmission lines that
23 could have additional or environmental impacts, we
24 believe we have all that information. We know what
25 facilities are impacted. The problem is we don't know
26 which one of those, if any, are actually going to have

1 impact on the project.

2 COMMISSIONER ROHY: So you would be waiting
3 for a response to your most recent E-mail; is that
4 correct?

5 MR. MACKIN: Well, no, because Enron really
6 couldn't respond to us until the ISO has a policy in
7 place on --

8 COMMISSIONER ROHY: So, we're back to that.

9 MR. MACKIN: That's the problem.

10 COMMISSIONER ROHY: I'm just trying to
11 understand. I'm not trying to debate you. I'm just
12 trying to understand.

13 There have been other citing cases in the
14 last year that are ahead of this. Has the ISO in any
15 of those cases had a final conclusion or a finding
16 either for or against or approval or disapproval from
17 the interconnection studies?

18 MR. MACKIN: Yeah. I believe the
19 High Desert project. I believe we have approved that
20 interconnection.

21 COMMISSIONER ROHY: So you are able to make
22 a decision?

23 MR. MACKIN: Well, we made a decision on a
24 nonprecedent setting basis on one.

25 COMMISSIONER ROHY: And that is the only
26 one?

1 MR. MACKIN: That's the only one that I'm
2 aware of.

3 MR. ELLER: You indicated work would have to
4 be done on the system. Does that work constitute a
5 project under CEQA?

6 MR. MACKIN: Other work?

7 MR. ELLER: You indicated work would have to
8 be done on the system. What's kind of work?

9 MR. MACKIN: We identified a list of
10 impacted transmission lines. Those lines, none of them
11 may be -- none of them may have work done that's, I
12 guess, impacted by CEQA.

13 MR. ELLER: So they wouldn't have to tear
14 out lines, add lines, put in towers?

15 MR. MACKIN: There's the potential they
16 would not have to do anything. There's also the
17 potential they would have to make some towers.

18 MR. ELLER: So, in fact they could have
19 additional project impacts up there.

20 MR. MACKIN: Yeah. And the idea -- the
21 purpose of our E-mail was to simply identify the list
22 of impacted facilities, and our hope was that in so
23 identifying those facilities, the CEC could, in the
24 process of going through the licensing structure there,
25 you know, because they usually have conditions that
26 they have to -- that are imposed, and that by having a

1 list of facilities there, they could structure
2 conditions such that whatever we decide here, the
3 impacts will be taken care of by CEQA.

4 MR. ELLER: Okay.

5 Lorraine.

6 COMMISSIONER ROHY: Would the applicant like
7 to comment first before we go to staff?

8 MR. THOMPSON: Well, we did receive that
9 E-mail, and in real nonweekend time we really haven't
10 had a chance to review it. I think we have some
11 disagreements the verbiage and possibly the
12 conclusions.

13 Sam, go ahead.

14 MR. WEHN: And I think what we really need
15 to do is sit down with Peter Mackin and PG&E and come
16 up with what I think would be an appropriate letter
17 that we could docket to get the information out.

18 But I have a concern with regard to this
19 detailed study that's being talked about within that
20 memo, and with regard to what is exactly the
21 information the ISO needs out of that detailed study in
22 order to render his decision. And the reason that I'm
23 suggesting that is because the PG&E folks are telling
24 me that they are not going to have a detailed study
25 finished for a 120 days. Then once that 120 days is
26 up, their suggestion is is that I have to produce a

1 comment from the California Energy Commission before
2 they'll even write a contract to me before I can do
3 this work. So I'm a little concerned about this
4 bottleneck and what is needed in order to release,
5 really, the ISO in order to say, yes, it's either
6 acceptable or not. So I would like to at least have a
7 couple days so that we can meet together and resolve
8 that issue.

9 COMMISSIONER ROHY: Can we set a date that
10 we would have a response?

11 MR. WEHN: Do you think by next Wednesday,
12 we could have an answer back, docket something from a
13 meeting between you PG&E and us?

14 MR. MACKIN: We could have something, but
15 what would -- I mean, what would you want to have in
16 the lettered docket?

17 MR. WEHN: In your letter you said -- you
18 called specifically out a detailed study.

19 MR. MACKIN: Yes.

20 MR. WEHN: Now, if I, by the strictest terms
21 of what a detailed study is, we all might as well go
22 home and come back in July, and I'm not sure that that
23 is the answer that all of us are looking for with
24 regard to this process. I think you need some
25 information. PG&E needs to provide it. I don't know
26 what that information is, but I do know this, that

1 they're looking to come up with some cost estimate as
2 plus or minus 10 percent for all of this work that
3 they're going to be doing.

4 I don't think you're interested in the
5 10 percent issue, but you're interested in other
6 modeling that they're going to provide. I think that's
7 what you, PG&E, and I need to sit down and resolve and
8 get them working on it, and get that out of their house
9 sooner than the 120 days.

10 That's my -- That's where I'm headed in this
11 discussion. What do you need? I don't know. I just
12 don't have any idea, but I figure if you and our
13 experts and PG&E sit down, surely we can come to a
14 conclusion.

15 MR. MACKIN: I guess one of the issues is
16 that even if we had a list of all the impacts, you
17 know, until we had an agreement from Enron to mitigate
18 those impacts, and we would prefer to have a decision
19 on how they would be mitigated, you know, whether you
20 were going to choose reinforcement or remedial pay for
21 the congestion, we don't. It's kind of -- we're in a
22 situation -- we're at a point where we can't really
23 approve an interconnection because we don't know what
24 you guys are going to do, and we don't know what you're
25 going to do because we haven't helped with that
26 process. We can certainly discuss this issue. Maybe

1 we could come up with --

2 COMMISSIONER ROHY: What I would like to do
3 is order the applicant, the ISO, perhaps with staff
4 present, if that's acceptable, to come up with a work
5 schedule, what is required, what is the timing to
6 resolve this issue, because I don't think discussing it
7 here tonight would do that. So I would like to have
8 that letter docketed by the end of next week, by
9 Friday. That gives you two additional days to work on
10 suggestions. Hopefully you could have a meeting that
11 would resolve the work issues and, in fact, enlighten
12 all of us as to what needs to be done.

13 COMMISSIONER MOORE: Mr. Chairman, let me
14 ask you a rhetorical question.

15 What happens if the 120-day schedule is not
16 met and it turns out to be something like 150 days? I
17 guess that goes to the applicant.

18 MR. THOMPSON: Well, my response,
19 Mr. Commissioner, could be just as well three years,
20 given the had Alice in wonderland we live in here.

21 For our part, we went to PG&E when we were
22 supposed to go to PG&E. We wrote the check when we
23 were supposed to write the check, and we lost control
24 after that, and you have one government agency, one
25 quasi -- I put PG&E in the quasi -- and the applicant,
26 and we're trying to find a way through this thicket.

1 Do I believe that by March 4th the board of governors
2 is going to vote on whether or not to market or someone
3 else should decide this? No. Because here we are in
4 mid-February, and my understanding is, staff is still
5 doing its investigation. They go to a market issues
6 forum and then the board. Do I have any confidence?
7 No. Maybe my misconfidence is misplaced.

8 COMMISSIONER MOORE: Let me take off --

9 MR. THOMPSON: I guess my answer's, no. I
10 don't know.

11 COMMISSIONER MOORE: Let me take off on your
12 question for a second and ask the ISO representative,
13 how long does it -- is the period between drafting a
14 staff recommendation for your board of governors and
15 the point at which that recommendation actually reaches
16 them and is available for a vote? How much time are
17 you regarding?

18 MR. MACKIN: Usually they receive the
19 information a week ahead of time, and they approve it
20 or not, but they have a week.

21 COMMISSIONER MOORE: So if there's a week
22 lag there, how long an internal review period do you go
23 through before your XO signs off on a staff
24 recommendation that can go the board?

25 MR. MACKIN: It depends on the subject. Our
26 goal for this particular process is to have a

1 management recommendation go to the board for the March
2 board meeting.

3 COMMISSIONER MOORE: I understand that. I
4 understood you to say that before. That's not the
5 question I'm asking you.

6 I'm asking you if you have -- a staff
7 recommendation goes to your board on March 4th and you
8 back out of that a week, then --

9 MR. MACKIN: No, it's not March 4th. It's
10 the end of March. It's going to be March 24th,
11 March 25th.

12 MS. GEFTER: You just said March 24th.

13 MR. MACKIN: Sorry, I misspoke.

14 COMMISSIONER MOORE: That's fine. March
15 24th. If I back out a week, then I've got March 17th
16 optimally.

17 MR. MACKIN: Let me interrupt --

18 COMMISSIONER MOORE: I'm just trying to get
19 an idea of the time frames here.

20 In terms of the internal workings of the
21 ISO, how long a period of time, generally, does it take
22 before a staff recommendation goes and is filtered
23 through and approved by the manager to go to the board?

24 MR. MACKIN: A couple of days.

25 COMMISSIONER MOORE: Couple of days.

26 MR. MACKIN: We're smaller and work in

1 sections and move quickly.

2 COMMISSIONER ROHY: I would certainly --
3 this is a very critical issue, not just for this case,
4 but this morning the Commission started two more siting
5 cases. There are quite a few coming down the path that
6 the ISO will have to deal with, and you might take a
7 message back to your management there or the committee
8 that these are coming your way, and we do have a
9 12-month requirement for decision.

10 MR. MACKIN: That was the entire reason for
11 the E-mail we sent on Friday. Our purpose was to
12 identify all impacted facilities, and then let the CEC
13 create certification based on those facilities and to
14 go forward, because we realized that we couldn't come
15 to a decision on a final interconnection to meet the
16 CEC.

17 MR. RATLIFF: Could I ask you, your desire
18 with the Energy Commission condition -- place
19 conditions on the reconstruction of those 17 different
20 things that require reinforcement or improvement. You
21 want an environmental analysis of each of those?

22 MR. MACKIN: We don't go --

23 MR. RATLIFF: I'm going back to what you
24 said a few minutes ago in your presentation concerning
25 your desire that the Energy Commission require in its
26 conditions, the reinforcement and mitigation. I wasn't

1 sure if you meant mitigation in the environmental
2 sense, environmental mitigation, or you meant
3 mitigation in the sense that these upgrades be
4 instructed.

5 MR. MACKIN: No. The environmental. We're
6 only charged with reliability.

7 MR. RATLIFF: You are, but we aren't.

8 MR. MACKIN: Right. So whatever you guys do
9 on environment, we don't care. However you wish to
10 proceed on the environmental impacts, that doesn't
11 impact the ISO, because we only have to deal with the
12 reliability impacts on the grid. So, in other words,
13 what we're saying is that, that if a line needs to be
14 reinforced, then the ISO would not deal with the
15 environmental impacts reinforcement. The transmission
16 order or the party charging reinforcement would deal
17 with that.

18 COMMISSIONER ROHY: I believe we have a
19 staff comment, but I want to reinforce the fact that I
20 would like to have a clear idea what we're doing here
21 by next Friday, and that would mean the ISO, staff, and
22 applicant would meet together with PG&E and docket
23 that.

24 Ms. O'Neil, did you have a comment?

25 MS. O'NEIL: Yes, Commissioner.

26 To address Dick's question to Pete about

1 what Peter was talking about with conditions of
2 certification, it wouldn't entail the list of
3 downstream facilities per se. It would address what
4 combination of either remedial action schemes or
5 downstream facilities the applicant chooses based on
6 the final interconnection study that the ISO does, what
7 combination that they decide on.

8 Where our problem is, is with if there are
9 any downstream facilities that are required, my
10 understanding is it would be considered part of the
11 project, so then the environmental impacts would have
12 to then be addressed by staff at a later date.

13 MS. WHITE: The difficulty is that list, at
14 this time, is a list of potential lines that could be
15 impacted. We have no clear indication of what lines
16 will actually be affected. So at this time it would be
17 unreasonable to have our staff try and develop an
18 analysis of that whole list of potential --

19 COMMISSIONER ROHY: We're not asking you to
20 do that. We're asking you to participate in the
21 process of unraveling this nest here and putting a
22 clear path down on paper of how we're going to get from
23 A to B. Once we do that, if there are upgrades that
24 may require a suggestion, then the environmental
25 requests be done. We understand that, but I don't
26 think we're at that point yet. The list at this point

1 is a phantom list to the Commissioners and to the
2 public.

3 MS. WHITE: It is. We very much appreciate
4 this on this early date. As soon as they receive the
5 information, the strategy we're contemplating at this
6 time is very similar to what you're suggesting that, in
7 fact, the Commission would address the need to revisit
8 this issue when decisions are made and address the
9 potential for environmental impacts at that time, but
10 we can't do that yet. We can't actually conduct the
11 environmental analysis today.

12 COMMISSIONER ROHY: Thank you.

13 MS. GEFTER: Do we have any further
14 questions from the parties on the ISO's presentation?

15 MR. THOMPSON: We will do our best to
16 schedule, participate in a meeting and give this
17 Commission the best picture we can give it of where we
18 stand a week from next Friday, and that may include, if
19 we can, some analysis of the advanced -- the box on the
20 right. I guess there's three alternatives under that.
21 It may well be a combination of alternatives. At any
22 rate, what we'll try and do is give a brief description
23 of our reaction to the E-mail in that letter. We're
24 going to try and advance the ball in that way.

25 COMMISSIONER ROHY: You have to be specific
26 on that date. I believe I indicated a week from

1 tomorrow.

2 MR. THOMPSON: Oh, okay. You did only give

3 us two days, didn't you?

4 COMMISSIONER ROHY: What is the date?

5 MS. GEFTER: Thursday, February 25th.

6 COMMISSIONER ROHY: No. Friday.

7 MS. GEFTER: Friday is February 26th.

8 COMMISSIONER ROHY: I was very generous in

9 giving you two extra days.

10 MR. THOMPSON: We appreciate the two days.

11 MS. GEFTER: Are there any questions from

12 the intervenors, members of the public on questions

13 raised by our ISO representative?

14 Yes, in the back, and please state your

15 name.

16 MR. TURNER: My name's Tyler Turner.

17 Not on material that was covered, but I was

18 wondering, you know that at Dow Chemical Calpine has a

19 power plant there, and Calpine and Bechtel have what

20 they call a fast track in progress. What's the

21 difference in the consideration between Enron and,

22 let's say, Calpine are to the ISO? What's the

23 difference between fast tracking and the normal

24 process?

25 MS. GEFTER: Do you have any information on

26 fast track? I don't have any information on that.

1 MR. MACKIN: I can suppose.

2 MS. GEFTER: No, that's all right. We're
3 not familiar with that.

4 There's a representative from Delta Energy
5 over there who can perhaps answer that question.

6 MR. BUCHANAN: My name is Doug Buchanan from
7 the Delta Energy Center. The process that Mr. Turner's
8 describing, I'm not aware of a fast track program.
9 PG&E typically embarks on two kinds of interconnect
10 studies. One, they refer to as preliminary. The other
11 they refer to as a detailed facility study, and at our
12 direction, we had them initiate the detailed facility
13 study based on the results of our preliminary
14 assessment of the grid and did not believe it
15 necessary, and continued not to believe it necessary,
16 to go through the preliminary process. So, as opposed
17 to fast track, we simply went into the detailed
18 facility study process with PG&E.

19 MS. GEFTER: Another question?

20 Yes. Identify your name for the record.

21 MR. CLARK: Yes. My name is Henry Clark,
22 I'm also an environmental representative on the
23 Contra Costa County Hazardous Materials.

24 I just want to make a comment on what the
25 gentlemen said about the process the organizations
26 select between those different approaches, the market

1 solution, and the advanced congestion mitigation
2 approach, and he indicated stakeholder involved in that
3 process. I don't know if you're all aware or not, but
4 I didn't hear anything about public participation, or
5 the public being involved in that process in terms of
6 having some input into deciding which approach that the
7 organization would take, and particularly, the public
8 is the ones that's going to be impacted, so they should
9 be in the process in the very beginning if you want to
10 start out right and end up right.

11 The other concern is that I don't know if
12 you're aware that the State Department of Health
13 Services has just recently concluded the study on the
14 effects of electromagnetic fields from the power
15 plants, especially from the deregulation and the influx
16 of companies coming out on the market, and I believe
17 there's some scientific briefing on that study next
18 week sometime.

19 So these are factors that need to be taken
20 into consideration as you consider power plants,
21 because these issues probably have been raised to some
22 degree, but I'm sure that this latest scientific data
23 that's coming out, that you're more concerned, so you
24 should be aware of that.

25 MS. GEFTER: Thank you very much, and
26 perhaps after the meeting you can speak directly to our

1 project manager from the staff regarding the MS studies
2 that you referred to. With respect to public input at
3 the ISO, perhaps you can speak to the representative
4 from ISO also, regarding the role of the public in
5 their decision making.

6 Is there any other comment or question just
7 specifically regarding the ISO presentation?

8 Okay. We're going to move on. What we also
9 want to do is to hear from intervenors in this case. I
10 think we had a couple of intervenors present, maybe
11 three different representatives. If any of the
12 intervenors would like to make any comments on any of
13 the issues that were raised this evening, we'd like you
14 to come forward now.

15 MS. POOLE: My name is Kate Poole. I'm here
16 on behalf of CURE. I don't think I have anything to
17 add for Items 1 through 6 other than to say that it
18 sounds like, at least in air quality and transmission
19 areas, we're not going to be able to meet the
20 Committee's evidentiary hearing schedule, which brings
21 up the point that the staff can't come to a final staff
22 assessment in an issue area when it is waiting for
23 another agency determination. So, given that, we have
24 no objection to bifurcating the staff assessment. As
25 far as the hearing schedule goes, it sounds like, if
26 this hearing schedule will be adhered to, there will

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1 also have to be a bifurcated hearing schedule for at
2 least those issues, since this is a viable probability.
3 We don't have any objection to bifurcated hearings
4 other than we do seem to lose some efficiency going
5 that way. Performance schedule may be a good idea if,
6 as Ms. White suggested, there is a need to keep key
7 intervals between other agency decisions and staff
8 assessment, and that's all I would add.

9 MS. GEFTER: Thank you very much.

10 Any other intervenors that have comments?
11 Members of the public now. Now's your chance to ask
12 questions on any topic that was raised this evening.
13 If you want to come forward and state your name for the
14 record. Anyone?

15 Paulette.

16 MS. LAGANA: Paulette Lagana, with CAP-IT,
17 and I'd like to ask Lorraine White, you said that the
18 staff assessment presentation will be on March 11th
19 with the exception of the air quality transmission and
20 water. When will that be presented?

21 MS. WHITE: We are actually going to be
22 including all technical areas in the staff assessment
23 to be published on March 11th. The concerns that we
24 have about air quality transmission and possibly land
25 use and water, which I suggest are possibilities at
26 this time, have to do with an air quality. Staff does

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1 have a large volume of information. We've just not
2 been quite able to get through it all to complete its
3 analysis. Plus we also will not be able to reflect the
4 PDOC from the District. That will actually come about
5 the time we're supposed to be publishing, so you can
6 incorporate that in the staff assessment just seven
7 days before we're supposed to report our staff
8 assessment. So it won't be in those terms complete,
9 but there will be some technical discussion.

10 In terms of the transmission, there will be
11 a discussion in there, but there will be some issues
12 that have yet to be resolved. Land use, depending to
13 properly reflect the lores and some concerns that they
14 have, and there, too, will be a discussion there. All
15 of the technical areas will be represented, it's just
16 that not all of the analysis part will be fully
17 resolved.

18 MS. LAGANA: By March 11th.

19 MS. WHITE: By March 11th, and that's what
20 we referenced at a subsequent date.

21 MS. LAGANA: So is there a time frame, 30
22 days after or --

23 MS. WHITE: Ideally we could provide that to
24 you, but at this time, particularly in terms of some of
25 the analysis being dependent on other agency's
26 determinations, those sections would be some reasonable

1 time, a minimum probably two weeks after these
2 determinations are made to fully incorporate those.

3 The area, visual, which we'll need to
4 possibly spend more time to incorporate the information
5 we're now getting -- if there are any comments from the
6 regional board or the Delta Diablo folks on the water
7 discussion, we'll be available to incorporate those,
8 and on the land use, we'll be able to incorporate the
9 local agencies. So those would be probably within
10 three weeks to a month.

11 The schedule, as it currently asks for
12 testimony by parties to be filed on April 2nd to the
13 extent that we can accommodate that when staff plans to
14 do so. So about April 2nd we'll try air quality, and
15 air transmission must be much later.

16 MS. GEFTER: I also wanted to point out that
17 when the staff assessment is issued, the staff will
18 conduct public workshops on the staff assessment, and
19 it will be issued and made public so that you'll get a
20 copy of it, and there will be workshops where you'll
21 ask the questions you're asking her now.

22 MS. LAGANA: Thank you.

23 MS. WHITE: On this issue of workshops,
24 staff would like to once again stress the fact that we
25 find the schedule to be very constraining on the
26 ability of parties to review staff's assessment and

1 provide meaningful comments. The schedule asks that
2 the workshops be held as early as four days after the
3 document is published but concluded within 12, and we
4 just find that's really tight and, perhaps, unrealistic
5 expectations on the public to be able to review the
6 material and provide the meaningful input within that
7 workshop schedule, and we would just like to stress,
8 that in order to accommodate public review and allow
9 for that meaningful input, the Committee consider at
10 least relaxing that input schedule.

11 MS. GEFTER: Thank you. We'll consider that
12 request.

13 In fact, I was going to ask any of the
14 parties present if they had any questions or
15 clarifications on any of the issues we discussed today?
16 Now's the time to ask.

17 MR. GLYNN: Bill Glynn, and I'm with the
18 PDEF Public Committee.

19 My concern is that it would appear that
20 there are four to six subject matter areas here that
21 could technically provide working at their own pace
22 within their own discipline without having to wait some
23 culminating or combination event like a workshop.
24 We're talking about distribution. We're talking about
25 power generation. We're talking about ISO approval,
26 and we've got at least three different agencies

1 involved here. I've been down this road before,
2 heavily involved in this area, so I know what you're
3 facing. The point being that you've got another power
4 plant, the Delta Energy Facility, trailing. It has a
5 similar design and a similar microclimates, and all
6 that kind of thing. You're talking about cumulative
7 impact, one following the other, and the one following
8 happens to be on the downwind side. So we're talking
9 about the impact on Enron's facility and Diablo's
10 services that will impact Enron and Calpine. We're
11 talking about the Bay Area Air Quality Board and all
12 the rest of that. I don't see how you can get three
13 government agencies to agree on the time of the day,
14 let alone bring it to a culminating event, having been
15 there and done that. I am totally familiar with
16 Senator Green. He's gone now, but I'm also familiar
17 with air conditioning systems, whether it's going to be
18 gas and electric.

19 I think this is an impossible go-no-go
20 decision on two different approaches to the ISO
21 certification, and he's saying, "These are some
22 concerns we have," and this counsel over here for Enron
23 is saying, "I don't know even know what the question
24 is. What are the concerns?" So now we end up with
25 PG&E, Enron, and the ISO, and the staff getting
26 together in a room, first of all -- to determine first

1 of all what is the question. 12 months is critical, I
2 agree, so what are --

3 COMMISSIONER ROHY: It's not only critical,
4 it's mandated by the law.

5 MR. GLYNN: I understand. So the question
6 is, I don't care if the workday is only five days. If
7 that 12-month deadline has to be met, you meet on any
8 day, do what you've got to do within limited resources,
9 but get it done. He's saying there's 120 days for
10 approval schedule and he's not sure what the date is.
11 It started off on the 4th. It ended up on the 28th of
12 March. What is it? When we get there, what are we
13 going to talk about. I just want to point out I've
14 been listening to the conversation, and I don't make
15 too much logic out of it.

16 Thank you.

17 MS. GEFTER: Thank you very much.

18 Does anyone else have comments?

19 COMMISSIONER MOORE: I have a question of
20 the ISO representative. Can you tell us what the
21 nature of the nonprecedential decision was on
22 High Desert? Are we privy to have either minutes or a
23 copy of that?

24 MR. MACKIN: Yeah, I believe the CEC was
25 involved in that, so if --

26 COMMISSIONER MOORE: I'm asking for the

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1 docket. Can we get a response docketed? You made
2 mention of a nonprecedential decision regarding these
3 two alternatives.

4 MR. MACKIN: Well, these two alternatives
5 were developed after the decision was made on
6 High Desert. High Desert has a unique decision.

7 COMMISSIONER MOORE: I'd like to ask the ISO
8 if they would docket a copy of that for our records,
9 the nature of the decision.

10 MR. MACKIN: For High Desert?

11 COMMISSIONER MOORE: Yes.

12 MR. MACKIN: Sure.

13 MS. GEFTER: We're about to wind up, so if
14 anyone has anymore comments or questions in the next 60
15 seconds, otherwise we will adjourn the meeting, and I
16 don't see any comments or any hands raised or anything,
17 so we are adjourned. Time end eight 11:00 p.m.

18 (Whereupon, the proceedings concluded at
19 8:11 P.M.)

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1 REPORTER'S CERTIFICATE

2 STATE OF CALIFORNIA)
) ss.
3 COUNTY OF SOLANO)

4 I, JANENE R. BIGGS, a Certified Shorthand
5 Reporter, licensed by the state of California and
6 empowered to administer oaths and affirmations pursuant
7 to Section 2093 (b) of the Code of Civil Procedure, do
8 hereby certify:

9 That the proceedings were recorded
10 stenographically by me and were thereafter transcribed
11 under my direction via computer-assisted transcription;

12 That the foregoing transcript is a true
13 record of the proceedings which then and there took
14 place;

15 That I am a disinterested person to said
16 action.

17 IN WITNESS WHEREOF, I have subscribed my
18 name on February 24, 1999.

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22 Janene R. Biggs
23 Certified Shorthand Reporter No. 11307
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